

assign the securities. The resolution and power of attorney shall conform to such terms and conditions as the Federal Reserve Banks shall prescribe.

(e) *Disposition of principal and interest payments of the pledged securities after a depositary is declared insolvent*—(1) *General*. In the event of the depositary's insolvency or closure, or in the event of the appointment of a receiver, conservator, liquidator, or other similar officer to terminate its business, the depositary agrees that all principal and interest payments on any security pledged to protect public money due as of the date of the insolvency or closure, or thereafter becoming due, shall be held separate and apart from any other assets and shall constitute a part of the pledged security available to satisfy any claim of the United States, including those not arising out of the depositary relationship.

(2) *Payment procedures*. (i) Subject to the waiver in paragraph (e)(2)(iii) of this section, each depositary (including, with respect to such depositary, an assignee for the benefit of creditors, a trustee in bankruptcy, or a receiver in equity) shall immediately remit each payment of principal and/or interest received by it with respect to collateral pledged pursuant to this section to the Federal Reserve Bank of the district, as fiscal agent of the United States, and in any event shall so remit no later than ten days after receipt of such a payment.

(ii) Subject to the waiver in paragraph (e)(2)(iii) of this section, each obligor on a security pledged by a depositary pursuant to this section shall make each payment of principal and/or interest with respect to such security directly to the Federal Reserve Bank of the district, as fiscal agent of the United States.

(iii) The requirements of paragraphs (e)(2) (i) and (ii) of this section are hereby waived for only so long as a pledging depositary remains solvent. The foregoing waiver is terminated without further action immediately upon the involvency of a pledging depositary or, if earlier, upon notice by the Treasury of such termination. For purposes of this paragraph, a depositary is insolvent when, voluntarily or by action of competent authority, it is

closed because of present or prospective inability to meet the demands of its depositors or shareholders.

[32 FR 14216, Oct. 13, 1967, as amended at 36 FR 6748, Apr. 8, 1971; 36 FR 17995, Sept. 8, 1971; 39 FR 30832, Aug. 26, 1974; 44 FR 53067, Sept. 11, 1979; 46 FR 28152, May 26, 1981; 62 FR 45521, Aug. 27, 1997; 65 FR 55428, Sept. 13, 2000]

#### **§ 202.7 Maintenance of balances within authorizations.**

(a) Federal Government agencies shall contact the Department of the Treasury, Financial Management Service, before making deposits with a financial institution insured by a State or agency thereof or by a corporation chartered by a State for the sole purpose of insuring deposits or accounts. The contact should be directed to the Cash Management Policy and Planning Division, Federal Finance, Financial Management Service, Department of the Treasury, Washington, DC 20227.

(b) Government agencies having control or jurisdiction over public money on deposit in accounts with depositaries are responsible for the maintenance of balances in such accounts within the limits of the authorizations specified by the Secretary of the Treasury.

[44 FR 53067, Sept. 11, 1979, as amended at 49 FR 47001, Nov. 30, 1984; 62 FR 45521, Aug. 27, 1997]

### **PART 203—PAYMENT OF FEDERAL TAXES AND THE TREASURY TAX AND LOAN PROGRAM**

#### **Subpart A—General Information**

Sec.

203.1 Scope.

203.2 Definitions.

203.3 Financial institution eligibility for designation as a Treasury Tax and Loan depositary.

203.4 Designation of financial institutions as Treasury Tax and Loan depositaries.

203.5 Obligations of the depositary.

203.6 Compensation for services.

203.7 Termination of agreement or change of election or option.

203.8 Application of part and procedural instructions.

#### **Subpart B—Electronic Federal Tax Payments**

203.9 Scope of the subpart.